(c) The proposal is under active consideration of the Government and a final decision in the matter is expected to be taken shortly.

Defence Deal With Yugoslávia Firm

*110. SHRI K.M. SAIFULLAH: Will the Minister of DEFENCE be pleased to state:

(a) whether India was duped to the tune of about Rs. 28 crores in a defence deal with a Yugoslavia firm in 1991;

(b) whether this deal was found to be having the elements of a scam;

(c) if so, whether any enquiry has been made and responsibility fixed; and

(d) the results of the efforts to retrieve the money from the Yugoslavia firm?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) A Contract was signed with M/s FDSP of erstwhile Yugoslavia on 23.7.1991 for supply of 150 sets of Tank Fire Control System for T-55 Tanks. 30% of the contract value amounting to US $ 10.6 million was paid in October, 1991 against Bank Guarantee in terms of Article 4.2.1 of the Contract. However, the Contract could not be implemented due to imposition of UN sanctions on dealings with former Yugoslavia.

(b) This Equipment was selected after field-trials of various equipment conducted by the Army Hqrs on competitive basis and was stated to be the best among all the equipment fielded for trials. It would not be correct to say that this deal was having an element of a scam.

(c) Does not arise.

(d) Immediately after the embargo on dealings with Yugoslavia was lifted by UN, action was taken to retrieve the money from the Yugoslavian firm. The matter has been taken up with the Government through India's Ambassador to Yugosiavia and the Ministry of External Affairs.

Chinese Naval base in Myanmar

*111. SHRI K.M. KHAN: Will the Minister of DEFENCE be pleased to state:

(a) whether it has been reported that Chinese naval officials are working on nine Myanmar naval bases inculding visits by Chinese vesles to certain islands close to the Indian coast line to monitor signal communications;

(b) if so, the details of these reports with objectives;

(c) whether such Chinese naval activities may pose a long time threat to Indian maritime security; and

(d) if so, what action is proposed to be taken to maintain friendly relations with China in view of such movements?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (d) As per intelligence inputs, China has been assisting Myanmar in installation of surveillance and communication systems on some of its islands in the Bay of Bengal. Chinese personnel have been visiting Myanmar naval bases in this connection. Chinese ships are also reportedly visiting Myanmar naval bases. Myanmar authorities have informed us that they do not permit any foreigh country to station its personnel or operate any facilities on its territory. They have further informed that the monitoring facilities are being utilised for surveillance of their Exclusive Economic Zone.

2. Chinese naval activities can be interpreted in terms of China's strategic interests. All developments which affect India's national security are constantly monitored and reviewed and necessary measures are taken, as required, to maintain appropriate defence preparedness.

3. In recent years, there has been improvement in India-China relations. Government is committed to the efforts of building a friendly, co-operative, good-neighbourly and mutually beneficial relationship with China in which both sides are equally responsive to each other's concerns. Government is also committed to the process of dialogue with a view to eliminating differences and creating a foundation for a stable and long-terms relationship.

राजस्थान में रेगिस्तानी भूमि को कृषि भूमि में बदला जाना

*112. श्री ओंकार सिंह लखावत: क्या ग्रामीण क्षेत्र और रोजगार मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या राजस्थान को रेगिस्तानी भूमि को खेती योग्य तथा खेती के लिए उपयुक्त बनाने की कोई योजना सरकार के विचाराधीन है;